

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

December 13, 2006

OK

TO: Internal File

THRU: D. Wayne Hedberg, Permit Supervisor, Task Manager *DWH*
Joseph C. Helfrich, Environmental Scientist/Biology, Team Lead *JCH*

FROM: Wayne H. Western, Environmental Scientist III, Bonding *WHL*

RE: Lease Addition U-46484 & U-61049, Co-Op Mining Company, Bear Canyon
Mines #3 and #4, C/015/0025, Task ID #2680

SUMMARY:

On July 21, 2006, the Permittee submitted an application to increase the permit area from 3,336.18 acres to 10,840.54 acres. The 7,524.36 acres addition is referred to as the Mohrland lease addition. No additional surface facilities or surface disturbances are associated with the amendment. This memo covers bonding.

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TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Division reviewed the reclamation bond (\$1,825,000) for the Bear Canyon Mine and found that the bond amount was less than the reclamation cost estimate (\$2,41,000.) The Division considers that the amount of bond could cover most reclamation activities in the event of bond forfeiture.

Since no new surface disturbances or surface facilities are associated the Mohrland lease addition the Division will postpone any action on the bond until new surface disturbance or the midterm review, whichever comes first.

Findings:

The Permittee met the minimum requirements for this section of the regulations.

RECOMMENDATIONS:

The Division should approve the amendment.